

Comcast Franchise Renewal

Presentation to the
Planning and Economic Committee
April 21, 7:00PM,
Aldermanic Chamber

What is a Cable Franchise?

- In order to provide their services, cable companies have to use the public rights-of-way (ROW) to install their cable equipment and facilities throughout the city.
- A cable franchise is the formal agreement between the City and a cable provider outlining the terms and conditions under which it can use the public ROW.
- The franchise imposes various obligations on the cable company including compensating the City for use of the ROW, protecting the rights and interests of Nashua residents and cable subscribers, and providing certain public benefits.

Franchise with City of Nashua

Comcast - the nation's largest cable television provider - is currently the primary source of cable television services in Nashua. They currently operate in Nashua under a [franchise agreement](#) effective since October 1, 2005.

Length of Cable Franchise Agreement

The current franchise agreement in Nashua has a 10 year term. The current franchise agreement expires **September 30, 2015.**

How Renewal Works

- The franchise renewal process is governed by federal law ([Section 626 of Cable Act, 47 CFR 546](#)).
- It occurs within a three (3) year period before a franchise expires. This period is designed to provide the City with sufficient time to:
 - Evaluate the extent to which the cable operator has complied with its legal and franchise obligations during the term of the franchise;
 - Determine the future cable-related needs and interests its residents (called "ascertainment"); and
 - Negotiate with the cable provider on the conditions of any renewed franchise agreement, including cable-related benefits to help meet the needs identified during the ascertainment process.

What City Negotiators CAN do

- Conduct an ascertainment process to determine community needs and interests. Under the existing franchise the City secured free cable service to city buildings and schools.
- Identify circumstances where the cable operator has failed to live up to its obligations.
- Deny the renewal, but only after a lengthy, formal process to determine if the cable operator has failed to meet certain criteria.

What City Negotiators CANNOT do

- Control prices and what Comcast charges customers for cable modems or cable TV.
- Control what commercial channels Comcast makes available, although the City can require certain categories of programming.
- Make demands about cable-modem (Internet) service because, technically, it's not part of the franchise.
- Resolve customer service issues with the company.

What City Negotiators have done

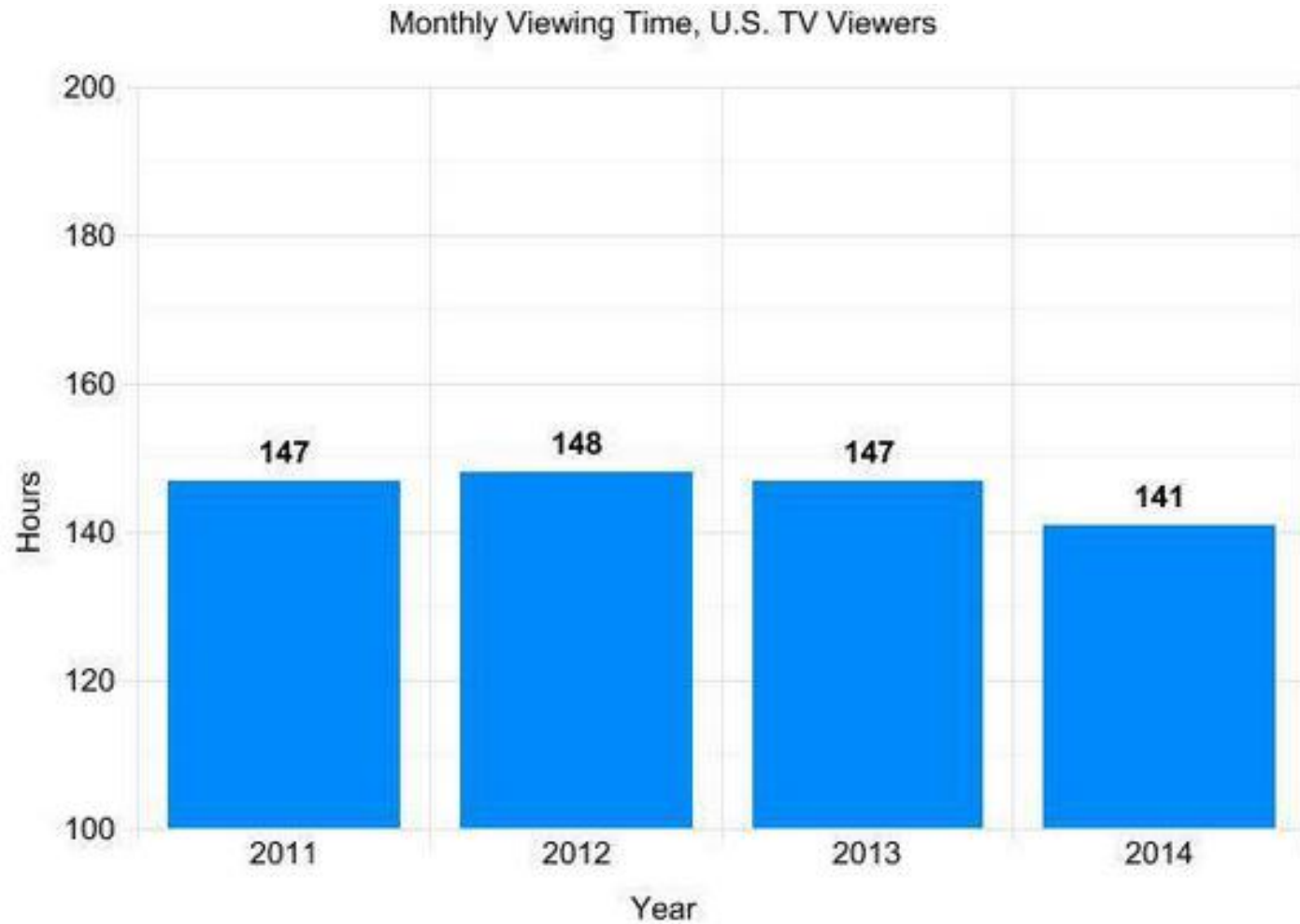
- Mayor appointed a working team;
 - Brian Geraghty - Citizen of Nashua
 - Tom Galligani - Director of Economic Development
 - Bruce Codagnone - Director of Information Technology
 - Andrew Cernota - Chairman of CTAB
 - Celia Leonard - Assistant Corporation Counsel
 - Daniel Moriarty – Alderman-At-Large
- Public Hearing held
- Conducted Survey – 365 Total Respondents

Trends

Between 2012 and 2014, viewers ages 50 through 64 watched one hour and 12 minutes less of traditional TV each week; they increased viewing of videos over the Internet by 22 minutes. Viewers ages 35 through 49 watched two hours and five minutes less of traditional TV each week and increased viewing of online videos by 35 minutes.

(According to an article in the March 11, 2015 edition of the Washington Post.)

Trends



Source: Nielsen

Survey

- 365 Total Responses
- Frequently asked about competition – FIOS not available in New Hampshire and any other cable company would have to buy Comcast's infrastructure.
- There were a great deal of complaints around Internet service – this is outside the scope of the Franchise agreement.
- The Survey results are posted on the City's website

Recommendations

- Due to the shift from traditional TV viewing to watching programming via streaming through the Internet, the City's revenue from Franchise fees could be negatively impacted. We recommend a shorter (5 Year) contract to see what federal legislation is going to be implemented.
- Based upon the survey results, we recommend asking Comcast for regular reporting on what they are doing to improve customer service.
- We DO NOT recommend raising the Franchise fee as that is a direct pass through to the citizens of Nashua

Next Steps

- Recommendations to be reviewed by the Mayor
- Franchise agreement drafted and brought to the Board of Aldermen for approval.